

STATE BONDING FUND
INVESTMENT PERFORMANCE REPORT AS OF MAY 31, 2004

	May-04				April-04				March-04				December-03				September-03				Current	Prior Year	3 Years	5 Years
	Allocation			Month	Allocation			Month	Allocation			Quarter	Allocation			Quarter	Allocation			Quarter	FYTD	FY03	Ended	Ended
	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Net	Net	6/30/2003	6/30/2003
LARGE CAP DOMESTIC EQUITY																								
Structured Growth																								
Los Angeles Capital	90,318	2.3%	2.3%	1.48%	89,044	2.2%	2.3%	-0.54%	93,581	2.3%	2.3%	-0.34%	92,862	2.4%	2.3%	9.12%	85,073	2.3%	2.3%	N/A	N/A	N/A	N/A	N/A
AllianceBernstein	0	0.0%	0.0%	N/A	0	0.0%	0.0%	N/A	0	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	N/A	-1.88%	-21.24%	-6.07%
Total Structured Growth	90,318	2.3%	2.3%	1.48%	89,044	2.2%	2.3%	-0.54%	93,581	2.3%	2.3%	-0.34%	92,862	2.4%	2.3%	9.12%	85,073	2.3%	2.3%	4.99%	15.23%	-1.88%	-21.24%	-6.07%
Russell 1000 Growth				1.86%				-1.16%				0.79%				10.41%				3.92%	16.43%	2.94%	-21.54%	-5.03%
Structured Value																								
LSV	89,560	2.3%	2.3%	0.55%	89,034	2.2%	2.3%	-2.38%	92,584	2.3%	2.3%	6.22%	93,798	2.4%	2.3%	15.66%	81,203	2.2%	2.3%	3.75%	25.12%	-2.25%	8.84%	3.73%
Russell 1000 Value				1.02%				-2.44%				3.03%				14.19%				2.06%	18.34%	-1.02%	-0.19%	1.05%
Russell 1000 Enhanced Index																								
LA Capital	186,950	4.7%	4.5%	1.49%	184,142	4.6%	4.5%	N/A	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
Russell 1000				1.44%				-1.81%				N/A				N/A				N/A	N/A	N/A	N/A	N/A
S&P 500 Enhanced Index																								
Westridge	182,266	4.6%	4.5%	1.38%	179,558	4.5%	4.5%	N/A	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
S&P 500				1.37%				-1.57%				N/A				N/A				N/A	N/A	N/A	N/A	N/A
Index																								
State Street	41,917			1.37%	41,351			-1.57%	37,267			1.68%	420,301			12.16%	374,694			2.64%	16.78%	0.23%	-11.28%	-1.69%
Transition Account	0			N/A	187			N/A	376,598			N/A	N/A			N/A	N/A			N/A	N/A	N/A	N/A	N/A
Total Index	41,917	1.1%	1.5%	1.37%	41,537	1.0%	1.5%	-1.57%	413,865	10.2%	10.5%	1.68%	420,301	10.7%	10.5%	12.16%	374,694	10.0%	10.5%	2.64%	16.78%	0.23%	-11.28%	-1.69%
S&P 500				1.37%				-1.57%				1.69%				12.18%				2.64%	16.84%	0.25%	-11.20%	-1.62%
TOTAL LARGE CAP DOMESTIC EQUITY	591,010	14.9%	15.0%	1.30%	583,315	14.7%	15.0%	-2.22%	600,031	14.8%	15.0%	2.91%	606,962	15.4%	15.0%	12.20%	540,970	14.5%	15.0%	3.15%	17.97%	-0.48%	-9.33%	-1.90%
S&P 500				1.37%				-1.57%				1.69%				12.18%				2.64%	16.84%	0.25%	-11.20%	-1.62%
SMALL CAP DOMESTIC EQUITY																								
Manager-of-Managers																								
SEI	197,278	5.0%	5.0%	1.07%	195,298	4.9%	5.0%	-5.02%	214,337	5.3%	5.0%	6.61%	205,804	5.2%	5.0%	14.82%	179,207	4.8%	5.0%	9.48%	28.66%	0.09%	N/A	N/A
Russell 2000 + 200bp				1.76%				-4.93%				6.78%				15.07%				9.60%	30.28%	0.36%	N/A	N/A
TOTAL SMALL CAP DOMESTIC EQUITY	197,278	5.0%	5.0%	1.07%	195,298	4.9%	5.0%	-5.02%	214,337	5.3%	5.0%	6.61%	205,804	5.2%	5.0%	14.82%	179,207	4.8%	5.0%	9.48%	28.66%	0.09%	-3.49%	1.64%
Russell 2000				1.59%				-5.10%				6.26%				14.52%				9.07%	27.97%	-1.63%	-3.30%	0.97%
CONVERTIBLES																								
TCW	401,147	10.1%	10.0%	1.51%	396,213	10.0%	10.0%	-2.90%	414,944	10.2%	10.0%	2.50%	404,853	10.3%	10.0%	9.98%	368,085	9.8%	10.0%	1.85%	13.17%	10.23%	-9.51%	3.90%
First Boston Convertible Index				0.64%				-1.93%				2.57%				8.54%				2.67%	12.81%	15.46%	-3.77%	5.29%
INTERNATIONAL EQUITY																								
Large Cap - Active																								
Capital Guardian	328,083	8.2%	8.0%	-1.07%	342,436	8.6%	8.0%	-0.62%	341,459	8.4%	8.0%	3.50%	328,754	8.3%	8.0%	13.03%	293,175	7.8%	8.0%	8.14%	24.39%	-10.31%	-15.85%	0.02%
MSCI EAFE - 50% Hedged				-0.57%				-0.53%				4.09%				13.15%				6.58%	24.15%	-11.24%	-15.51%	-5.33%
Small Cap - Value																								
Lazard	36,129	0.9%	1.0%	0.54%	31,333	0.8%	1.0%	-0.10%	45,866	1.1%	1.0%	8.63%	42,104	1.1%	1.0%	14.50%	39,792	1.1%	1.0%	9.92%	37.32%	N/A	N/A	N/A
Citigroup Broad Market Index < \$2BN				-1.40%				-3.20%				12.80%				13.31%				15.95%	41.45%	N/A	N/A	N/A
Small Cap - Growth																								
Vanguard	34,608	0.9%	1.0%	-1.15%	30,527	0.8%	1.0%	-1.98%	43,063	1.1%	1.0%	10.37%	45,179	1.1%	1.0%	14.06%	38,606	1.0%	1.0%	14.95%	40.22%	N/A	N/A	N/A
SSB BROAD MARKET INDEX < \$2BN				-1.40%				-3.20%				12.80%				13.31%				15.95%	41.45%	N/A	N/A	N/A
TOTAL INTERNATIONAL EQUITY	398,821	10.0%	10.0%	-0.95%	404,296	10.2%	10.0%	-0.70%	430,388	10.6%	10.0%	4.76%	416,037	10.6%	10.0%	13.28%	371,574	9.9%	10.0%	8.97%	27.19%	-9.20%	-15.51%	0.27%
MSCI EAFE - 50% Hedged				-0.57%				-0.53%				4.09%				13.15%				6.58%	24.15%	-11.24%	-15.51%	-5.33%
DOMESTIC FIXED INCOME																								
Core Bond																								
Western Asset	689,611	17.3%	16.7%	-0.41%	936,872	23.5%	16.7%	-2.41%	1,020,706	25.2%	25.0%	2.96%	993,545	25.2%	25.0%	1.62%	973,882	26.0%	25.0%	-0.16%	1.53%	12.77%	11.23%	8.12%
Lehman Aggregate				-0.40%				-2.60%				2.66%				0.32%				-0.14%	-0.24%	10.39%	10.07%	7.54%
Index																								
Bank of ND	900,029	22.6%	25.0%	-0.45%	674,410	17.0%	25.0%	-2.36%	561,648	13.8%	15.0%	3.01%	532,410	13.5%	15.0%	0.07%	532,752	14.2%	15.0%	-0.46%	-0.28%	13.26%	10.87%	7.78%
Lehman Intermediate Gov/Credit (1)				-0.45%				-2.37%				3.08%				-0.03%				-0.35%	13.14%	10.82%	7.83%	
BBB Average Quality																								
Strong	384,717	9.7%	8.3%	-0.88%	377,013	9.5%	8.3%	-3.16%	413,896	10.2%	10.0%	3.30%	411,262	10.4%	10.0%	1.46%	408,258	10.9%	10.0%	0.02%	0.62%	17.91%	N/A	N/A
Lehman US Credit BAA				-0.81%				-3.22%				3.41%				1.22%				0.27%	0.76%	18.33%	N/A	N/A
TOTAL DOMESTIC FIXED INCOME	1,974,357	49.6%	50.0%	-0.51%	1,988,296	50.0%	50.0%	-2.55%	1,996,250	49.2%	50.0%	3.05%	1,937,217	49.2%	50.0%	1.15%	1,914,892	51.2%	50.0%	-0.21%	0.85%	13.18%	10.80%	7.81%
Lehman Gov/Credit				-0.51%				-3.07%				3.08%				-0.03%				-0.50%	-1.12%	13.14%	10.82%	7.83%
CASH EQUIVALENTS																								
Bank of ND	414,648	10.4%	10.0%	0.11%	411,093	10.3%	10.0%	0.09%	400,415	9.9%	10.0%	0.29%	370,039	9.4%	10.0%	0.29%	364,833	9.8%	10.0%	0.30%	1.09%	1.57%	3.26%	4.15%
90 Day T-Bill				0.09%				0.08%				0.24%				0.26%				0.25%	0.92%	1.52%	3.33%	4.08%
TOTAL BONDING FUND	3,977,261	100.0%	100.0%	0.05%	3,978,510	100.0%	100.0%	-2.21%	4,056,365	100.0%	100.0%	2.96%	3,940,911	100.0%	100.0%	5.37%	3,739,560	100.0%	100.0%	1.97%	8.24%	7.52%	1.61%	4.90%
POLICY TARGET BENCHMARK				0.04%				-2.26%				2.80%				4.65%				1.59%	6.86%	7.25%	2.20%	4.57%